

## **EXHIBIT F**

## Press Release

---

# SEC Charges Ripple and Two Executives with Conducting \$1.3 Billion Unregistered Securities Offering

**FOR IMMEDIATE RELEASE****2020-338**

*Washington D.C., Dec. 22, 2020* — The Securities and Exchange Commission announced today that it has filed an action against Ripple Labs Inc. and two of its executives, who are also significant security holders, alleging that they raised over \$1.3 billion through an unregistered, ongoing digital asset securities offering.

According to the SEC's complaint, Ripple; Christian Larsen, the company's co-founder, executive chairman of its board, and former CEO; and Bradley Garlinghouse, the company's current CEO, raised capital to finance the company's business. The complaint alleges that Ripple raised funds, beginning in 2013, through the sale of digital assets known as XRP in an unregistered securities offering to investors in the U.S. and worldwide. Ripple also allegedly distributed billions of XRP in exchange for non-cash consideration, such as labor and market-making services. According to the complaint, in addition to structuring and promoting the XRP sales used to finance the company's business, Larsen and Garlinghouse also effected personal unregistered sales of XRP totaling approximately \$600 million. The complaint alleges that the defendants failed to register their offers and sales of XRP or satisfy any exemption from registration, in violation of the registration provisions of the federal securities laws.

"Issuers seeking the benefits of a public offering, including access to retail investors, broad distribution and a secondary trading market, must comply with the federal securities laws that require registration of offerings unless an exemption from registration applies," said Stephanie Avakian, Director of the SEC's Enforcement Division. "We allege that Ripple, Larsen, and Garlinghouse failed to register their ongoing offer and sale of billions of XRP to retail investors, which deprived potential purchasers of adequate disclosures about XRP and Ripple's business and other important long-standing protections that are fundamental to our robust public market system."

"The registration requirements are designed to ensure that potential investors – including, importantly, retail investors – receive important information about an issuer's business operations and financial condition," said Marc P. Berger, Deputy Director of the SEC's Enforcement Division. "Here, we allege that Ripple and its executives failed over a period of years to satisfy these core investor protection provisions, and as a result investors lacked information to which they were entitled."

The SEC's complaint, filed today in federal district court in Manhattan, charges defendants with violating the registration provisions of the Securities Act of 1933, and seeks injunctive relief, disgorgement with prejudgment interest, and civil penalties.

The SEC's investigation was conducted by Daphna A. Waxman, Jon A. Daniels, and John O. Enright of the SEC's Cyber Unit. The case is being supervised by Kristina Littman, Chief of the SEC Enforcement Division's Cyber Unit. The SEC's litigation will be conducted by Jorge G. Tenreiro, Dugan Bliss, Ms. Waxman, and Mr. Daniels, and supervised by Preethi Krishnamurthy.

###

## Related Materials

---

- [SEC Complaint](#)